



Economic Impact Analysis Virginia Department of Planning and Budget

22 VAC 40-705 – Department of Social Services Child Protective Services April 11, 2002

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The proposed regulations will establish a differential response system for child abuse/neglect reports received by the local Child Protective Service departments. The proposed differential response system will allow the local departments to utilize a family assessment track in addition to the investigation track utilized in the singular response system that was effective prior to the emergency regulations. Additionally, the proposed regulations will require a memorandum of understanding to be developed by local departments of social services with local law enforcement and the local office of the Commonwealth's Attorney.

The proposed changes have been in effect since January 1, 2002 as emergency regulations. However, the proposed changes are currently effective only in five pilot localities because the local departments are required to provide training for workers prior to implementing the proposed family assessment track. The Department of Social Services indicates that the local departments are in the process of completing the training requirements and anticipates that by

May 1, 2002 all of the local departments will have provided the required training to their employees and start implementing the proposed differential response system.

Estimated Economic Impact

Child Protective Services regulations contain procedures for handling of child abuse/neglect reports. Local Child Protective Service departments receive and respond to the abuse/neglect complaints. In fiscal year (FY) 2001, 121 local departments received 47,253 child abuse and neglect reports.¹ When a report is received, the local department determines whether the report is valid. In FY 2001, about 30,362 reports were determined valid.² If the report is valid, the local department conducts an investigation. A child abuse/neglect investigation is a fact-finding process in which information is collected and analyzed in order to determine if child abuse or neglect has occurred, to identify responsible persons, and to assess risk of future maltreatment. The investigations may include talking with the alleged child victim, parents, and/or alleged perpetrator, gathering medical and psychological information, and talking with other professionals or persons who have knowledge of the child's situation. Prior to the emergency regulations, the local departments were required to conduct an investigation for all the valid abuse/neglect reports received.

Pursuant to the statutory changes, the proposed regulations will allow local departments to conduct a family assessment rather than an investigation for some cases. The departments will continue to conduct investigations when there are immediate child safety concerns and/or the abuse/neglect report indicates serious allegations including sexual abuse, fatality, serious injury, hospitalization, abandonment, etc. With the proposed changes, the local departments will be allowed to consider a family assessment response for reports when there are no immediate child safety concerns and/or the report does not indicate serious allegations. For example, a family assessment may be conducted for reports indicating minor physical injury, lack of supervision, failure to consistently meet food, clothing, shelter, and hygiene needs of the child, presence of untreated injuries, illnesses, impairments, emotional abuse/neglect, etc. The departments will have authority to move a case from the family assessment track to investigation track if needed. In short, the proposed regulations will establish a differential response system allowing the

¹ Source: The Department of Social Services

² Ibid.

departments to respond to complaints in two different ways. The departments will either investigate the valid report or conduct a family assessment.

The main effect of the proposed changes is that the number of investigations will decrease and family assessment approach will be utilized in a significant number of cases. Data from the five pilot areas indicate that for the 1,547 valid reports received in FY 2001, about 1,116 (72%) were responded through a family assessment instead of an investigation.³ If this percentage is representative for the rest of the state, then about 21,861 of the 30,362 valid reports that may be received in a year are likely to be responded through a family assessment instead of an investigation.

There are significant differences between an investigation and a family assessment. For every investigation, the local department has to make a finding as to whether abuse/neglect occurred. If the complaint is founded, the name of the abuser is recorded to Central Registry of Founded Child Abuse and Neglect for 3 to 18 years depending on the type and severity of the incident. On the other hand, a family assessment will not require the department to make a disposition. No finding of abuse/neglect will be made and no information will be recorded to the department's central registry. The assessment will be used to identify the family needs related to prevention of child maltreatment. For example, the local department will focus on whether the family understand child development, whether there is need for education about parenting, whether the child is a special needs child, whether individual counseling is needed, and whether there is need for department's assistance with medical treatment.

Staff time and other resources required from the local departments to process valid abuse/neglect complaints may be different for investigations and for family assessments. Both require determination of immediate safety and rehabilitative needs of the child, risk of future harm, and developing alternate plans when appropriate. In addition to these, an investigation requires determination on whether abuse/neglect occurred and identification of the person who abused or neglected the child. Thus, it seems that the proposed differential response system would require less economic resources than current singular response system in responding to abuse/neglect reports because in most cases a family assessment will be conducted instead of an

³ Source: Final Report on the Multiple Response System for Child Protective Services in Virginia, Department of Social Services, December 1999.

investigation. However, the Department of Social Services indicates that because of other factors, the family assessment approach has the potential to increase the resources needed to process valid abuse/neglect complaints.

It is indicated that during the three-year pilot program, families have shown higher cooperation with the department workers in family assessments relative to investigations. About 76% of CPS workers in the pilot areas believed that families felt less threatened and about 70% believed that families were more willing to discuss their problems with Child Protective Services.⁴ This is attributed to procedural differences in conducting family assessments. In an investigation, the caseworker is required to inform the family that they have the right to refuse providing information. This requirement is believed to reduce family participation. In a family assessment, on the other hand, the caseworker is not required to provide this warning. Additionally, no determination of whether abuse or neglect occurred is made in a family assessment and no names are recorded in the department's central registry. As a result, families seem to engage more in family assessments and tend to cooperate more with the caseworker. Thus, conducting a family assessment may take more than or just as much time as conducting an investigation. According to the 1999 evaluation, about 64% of the workers in pilot localities believed the total time needed for all casework was greater under the differential response system, about 53% believed providing and arranging services took longer, and 47% believed direct contacts with the family took more time. Although this information indicates that the differential response approach may increase the staff time and other department resources to respond to an abuse/neglect report, the data from the pilot areas also indicates that the same number of workers was able to handle approximately the same number of complaints. Thus, no conclusive statements can be made on whether the processing time for the reports received will increase or not.

Additionally, the initial analysis of the multiple response system conducted in 1999 indicates that the percent of investigations that are founded increased from 21% to 42%. This is expected because serious valid reports were placed under the investigation tract. This suggests that the resources devoted to investigation of valid complaints are more efficiently used and the department may save some resources from not investigating complaints that are not founded.

⁴ Ibid.

Also, there is no appeal process for family assessments. Since, in most cases, a family assessment is likely to be conducted instead of an investigation, the number of appeal cases is likely to decrease. The appeal process is a three-tier process. The first step of the appeal process is a conference between the alleged abuser and the local department. This conference gives the alleged abuser a chance to submit pertinent information that can change the disposition of the complaint. In 1995, the department received 532 appeals at the local-level. However, in some cases, a predisposition consultation may be arranged prior to the local conference. When the local department believes that the report will be founded, alleged abuser may request a predisposition consultation. Based on the consultation, the alleged abuser may waive the local conference and proceed to the appeal process at the state-level. If the appeal is not resolved at the local-level, the alleged abuser may request an administrative hearing at the state-level. A hearing officer conducts this hearing. In 1995, 225 state-level appeals were received. Alleged abuser has the right to appeal the disposition upheld at the state-level administrative hearing to the Circuit Court. In 1995, 28 appeals were brought to the court.

The appeal costs include costs to hold conferences at the local-level, to hold hearings at the state-level, and potential litigation costs to appeal to the court. The main costs are staff time required to prepare, review, and attend the hearings. A caseworker prepares the hearing, a supervisor reviews the work, and both attend the local conference. In addition to the local conference, the caseworker and supervisor attend the hearing at the state-level if the decision at the local-level is appealed. Thus, the local departments are expected to save some staff time because the number of appeals at the local and state-levels are likely to decrease. At the state-level appeals, participation of a hearing officer is required. Thus, the proposed changes is also likely to provide some cost savings to the Department of Social Services by reducing the number of appeals at the state-level. Finally, if the number of cases going to the court decreases there may be some litigation cost savings. Similarly, the time and resources devoted by alleged abusers in appeal process are likely to decrease.

There may be other benefits from the family assessment approach. This approach places more emphasis on child's safety and development needs than abuse/neglect investigations where the focus is on evidence collection and determining whether the incident occurred or not. A family assessment seems to have higher potential to allow families to learn about the potential causes of child's problems, educate families, and help stop unintentional abuse/neglect.

Education aspect of the family assessment may improve child's welfare and reduce the recidivism rates. About 1.7% of abused/neglected children reported in FY 2000 were involved in a subsequent founded report of abuse/neglect within a year.⁵ Also, of the 30 children died because of abuse/neglect in FY 2001, 5 were involved in a prior founded Child Protective Services report.

On the other hand, the proposed changes will increase the training requirements because an additional decision will have to be made at the intake and the new family assessment track is being introduced. Intake staff will have to make a decision on whether to conduct an investigation or a family assessment in addition to their evaluations on the validity and the urgency of the complaints. To assist the existing intake staff in making this decision and all Child Protective Services staff in implementing a differential response to valid reports of abuse/neglect, additional training will be provided. The department will conduct 12 hours of training at five regional offices over two days. About 1,350 current employees are expected to attend the training. Thus, about 16,200 hours of staff time for training and associated travel expenses and time should be considered as additional costs to the department. Additionally, new employees will likely be required to attend about four hours of additional training to learn about the differential response system.

In addition to two-day training, the department plans to conduct a one-day non-mandatory training at the regional offices. This training will be used to enhance the skills of caseworkers in engaging families in a family assessment. The department does not expect more than 200 employees to attend this training. Thus, about 1,200 hours of staff time for the training and travel expenses and time can be attributed to the proposed changes.

Moreover, the department will modify the information system used to manage the abuse/neglect cases. A new module has been created within the information system to document the work done on each family assessment case. Modifications may be needed as a result of the statewide implementation. The department does not know the size of the costs already incurred and the size of the costs that may be incurred in the future to make additional modifications.

⁵ This rate is believed to be an undercount due to problems with the use of the information system.

Furthermore, the department has a contract with a university to evaluate annually the differential response system for at least three years. The first year evaluation cost is about \$38,000 and will likely be repeated two more years.

Additionally, the family assessment approach is likely to increase service costs because more family needs will be identified. The initial analysis indicates that the percent of cases where service needs identified increased from 54% to 75%. More service needs may increase the staff time needed or the average employee workload and increase the costs associated with providing identified needs. These services include counseling/therapy, medical care, diagnostics and evaluation services, and childcare. However, these additional costs will likely be subject to availability of funds and the services and the family's willingness to receive the services. Also, the department expects additional difficulties at the early stages of the family assessment implementation due to unfamiliarity with the proposed system. These difficulties are expected to decrease as employees gain experience in the proposed differential response system.

Finally, the effect of proposed regulations on child safety is probably the most significant albeit the most difficult issue to evaluate. The 1999 evaluation indicate that most mandated reporters in the pilot localities believe the differential system increased child safety. Mandated reporters include teachers, doctors, nurses, day care providers who are legally required to report suspected abuse/neglect. About 65% of the mandated reporter and CPS worker responders believed that child safety was improved, about 30% believed that it had no impact, and 5% believed that it reduced child safety.

Another proposed amendment will require a memorandum of understanding to be developed by local Child Protective Services departments with local law enforcement and the local office of the Commonwealth's Attorney. This is expected to encourage collaboration among law enforcement agencies, attorney services, and local departments. Some localities have already developed a memorandum of understanding. This document will establish roles and responsibilities and improve relationships between the three agencies. The memorandum of understanding is likely to prevent overlapping duties. Also, it is likely to reveal which service areas are not covered. The costs associated with developing this document is expected to be small.

Businesses and Entities Affected

The proposed regulations are expected to affect 121 local departments of social services. In addition, alleged child victims and their families and alleged perpetrators involved in about 30,300 valid abuse/neglect reports may be affected in a year.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

The proposed regulations are likely to increase the need for child and family service needs such as counseling/therapy services, medical care services, diagnostic and evaluation services, and child care services. Thus, the proposed family assessment track may have a positive impact on employment in these service areas.

The net effect of the proposed changes on local departments' employee needs is not known. Some of the provisions are likely to increase the staff time required to respond to child abuse/neglect reports and some others are likely to decrease it. Thus, no conclusive statement can be made on the labor demand of the local social service departments.

Effects on the Use and Value of Private Property

If the increased demand for child and family services causes a significant increase in business volume and increase profitability, a positive impact on the value of such service providers is expected.